

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 59th LEGISLATURE - REGULAR SESSION

COMMITTEE ON STATE ADMINISTRATION

Call to Order: By **CHAIRMAN LARRY JENT**, on February 2, 2005 at 8:00 A.M., in Room 455 Capitol.

ROLL CALL

Members Present:

Rep. Larry Jent, Chairman (D)
Rep. Dee L. Brown, Vice Chairman (R)
Rep. Veronica Small-Eastman, Vice Chairman (D)
Rep. Joan Andersen (R)
Rep. Mary Caferro (D)
Rep. Sue Dickenson (D)
Rep. Emelie Eaton (D)
Rep. Robin Hamilton (D)
Rep. Gordon R. Hendrick (R)
Rep. Teresa K. Henry (D)
Rep. Hal Jacobson (D)
Rep. Gary MacLaren (R)
Rep. Bruce Malcolm (R)
Rep. Alan Olson (R)
Rep. Bernie Olson (R)

Members Excused: Rep. William J. Jones (R)

Members Absent: None.

Staff Present: Sheri Heffelfinger, Legislative Branch
Marion Mood, Committee Secretary

Please Note. These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing & Date Posted: HB 430, 1/25/2005;
HB 338, 1/25/2005

Executive Action: HB 253; HB 104; HB 213

HEARING ON HB 430**Opening Statement by Sponsor:**

REP. HOLLY RASER (D), HD 98, opened the hearing on **HB 430**, State assumption of supplemental contributions to TRS for the Montana University System (MUS) optional program. **REP. RASER** advised this bill would rectify a long-standing inequity in the retirement benefits of Montana's university system faculty members. For faculty hired before 1988 and who elected the Teachers Retirement System (TRS), the university system provides an annual retirement contribution of 7.47% while it provides a mere 4.96% for those hired after 1988. **REP. RASER** gave a brief history of how this came about, explaining that the 1987 Legislature established the Optional Retirement Program (ORP) for university faculty, which is a defined contribution plan administered by the Teachers Insurance and Annuity Association College Retirement Equities Fund (TIAA-CREF). As part of the 1987 legislation, faculty members were given 90 days to decide whether to stay in the TRS program or move to the ORP. The Legislature also mandated that a portion of every ORP participant's actual retirement contribution would go toward ensuring that the TRS was not negatively impacted by the loss of contributing members. Faculty opting for the ORP plan knew they would receive a diminished contribution rate. The 1993 Legislature made membership in the ORP mandatory, at the same time neglecting to address the obvious inequity in contribution levels afforded different faculty members, as stated in the Sponsor's opening remarks.

REP. RASER stressed HB 430 will restore equity by gradually phasing in an increase in state contributions to the ORP, thereby assuming funding for the mandate imposed in 1993. It would also assist in faculty recruitment and retention as ORP members currently receive the lowest employer contribution rate of any public university faculty in the nation as illustrated in her handout. **REP. RASER** felt the Legislature should fix the problem it had created.

EXHIBIT (sth26a01)

Proponents' Testimony:

Eric Burke, Montana Educators Association/Montana Federation of Teachers (MEA/MFT), stated the organizations' strong support of HB 430 and provided a handout detailing background information of and proposed changes for the ORP. **Mr. Burke** informed the Committee that MEA/MFT also represents the university system's faculty members. He echoed **REP. RASER's** assessment in that it was the state's obligation to address and fix this problem. He

added that this bill has been introduced three separate times; the Legislature agreed each time that something needed to be done but was lacking the funds. For this reason, HB 430 proposes a four-year phase-in period.

EXHIBIT(sth26a02)

Michael Kupilik, President, University Faculty Association, University of Montana, rose in support of HB 430, citing previous testimony. He explained that fifteen years ago, the faculty was asked to elect either TRS or TIAA-CREF; once they had made their choice, they could not switch. **Mr. Kupilik** added as older faculty members retire, the percentage of those on TIAA-CREF continues to grow, placing more retirees on a plan that is not matched by the employer.

Glen Leavitt, Director of Benefits, Montana University System, repeated that membership in the ORP is mandatory unless the new faculty member is already a member of a defined benefit plan such as TRS or PERS (Public Employees' Retirement System). **Mr. Leavitt** stated that when the ORP was first implemented, it was easier to understand why part of the employer contribution went to TRS in order to cover the unfunded liability; for faculty hired since then, it is difficult to grasp why their employer is contributing to a retirement system which they have never been a part of or stand to receive a benefit from. HB 430 will correct this inequity.

Opponents' Testimony: None

{Tape: 1; Side: A; Approx. Time Counter: 0 - 17.8}

Informational Testimony:

David Senn, Executive Director, Teachers' Retirement System (TRS), advised when the ORP was first established, there was an unfunded liability in the Teachers' Retirement System as there is today. The arrangement made by the Legislature was to keep the TRS whole. This bill will not impact this mandate which was the reason for his testifying as an informational witness.

Questions from Committee Members and Responses:

VICE CHAIR DEE BROWN, HD 3, HUNGRY HORSE, referred to Section 4 (5) on Page 5 where language about the Board of Regents is stricken. She wondered whether this indicated the Board had made the supplemental contribution to the TRS and now, they would not have to. **Mr. Senn** confirmed this, stating the contributions will be made out of the general fund.

REP. SUE DICKENSON, HD 25, GREAT FALLS, ascertained that the bill will not create an unfunded liability within the TRS since the general fund will pick up the tab, which **Mr. Senn** affirmed.

REP. DICKENSON stated that the employer contributes an equal amount for faculty covered under TRS but for those who chose ORP, a portion of the employer's contribution goes to TRS rather than their own retirement account; she looked to Mr. Senn to verify her assessment. **Mr. Senn** advised that basically, the retirement system requires a contribution rate of about 10.3% to fund retirement benefits. The balance, or almost 4% of it, goes to amortize unfunded liabilities. Before the university system faculty chose to participate in a different system, the assumption had been that TRS would collect the 4% of salary of all members of the system. When that one piece was taken out, a funding source was missing, and in order to continue to fund benefits, the Legislature continued this 4% contribution by the university system into the TRS, leaving it whole, as the ORP had no impact on it. He added HB 430 does the same thing, except that the general fund will pay for that portion rather than the university system; and this will free up more money to pay into the retirement accounts of faculty covered by ORP.

REP. BERNIE OLSON, HD 10, LAKESIDE, referred to the Sponsor's handout which states that by 2010, 95% of the faculty will be enrolled in ORP and asked Mr. Senn whether the contribution will still have to come out of the general fund then. **Mr. Senn** confirmed this, adding that the rate was set up in 1993 to amortize in 40 years, making 2033 the deadline as to when the last payment out of the general fund is due.

CHAIRMAN LARRY JENT, HD 64, BOZEMAN, explained that "defined contribution plan" meant contributions are a know factor but the benefit depends on how well funds were being managed. **Mr. Senn** confirmed this and added HB 430 would phase in the current 4.04% rate over a period of four years, with the general fund picking up a larger and larger percentage until 2009, when it will bear the entire cost. **CHAIRMAN JENT** wondered what percentage of the faculty would be covered under ORP by 2009. **Mr. Senn** did not have exact numbers available but contended it would be a large percentage. Currently, about 725 faculty members and administrators are covered under TRS, and the remainder, or just over 2,000, subscribe to ORP.

CHAIRMAN JENT wondered if the inequity presented both a recruiting and a retention problem. **Mr. Leavitt** advised that it did. He explained that the university system recruits nationwide and, while most institutions have TIAA-CREF, their employees enjoy a higher employer contribution in their current positions

than they would receive in Montana. When asked about numbers by the Chairman, **Mr. Leavitt** advised that since 1993, all new hires are covered under TIAA-CREF except those who had been previously employed by a school district and were therefore covered under TRS; he added that these faculty members were mostly older and elected to stay in TRS. **CHAIRMAN JENT** ascertained that there will come a point in time when all faculty members and administrators will be in TIAA-CREF, which **Mr. Leavitt** affirmed.

{Tape: 1; Side: B}

VICE CHAIR BROWN referred to Mr. Leavitt's comments that the majority of the older faculty members stayed in TRS and asked whether this bill would provide enough of a benefit to cause a "mass exodus" from the university system. **Mr. Leavitt** explained that HB 430 has no effect on the people who had elected to stay in TRS. **VICE CHAIR BROWN** advised that she had misstated her question; she meant "ORP" instead of TRS and asked about the average age of people this bill would help. **Mr. Leavitt** admitted he did not know except that they would be younger than the average TRS member. He advised this bill would not cause a mass retirement.

REP. JOAN ANDERSON, HD 59, FROMBERG, asked Mr. Leavitt why the liability would end in 2033 since many new hires would be covered by this plan. **Mr. Leavitt** advised that by 2033, virtually all faculty will be covered under ORP, except for those who were covered by TRS in their previous jobs and stayed with it. He referred to his previous explanation to **REP. DICKENSON** with regard to the unfunded liability which increased when faculty left TRS for ORP and they could no longer count on those members' future contributions. It was calculated then that amortization would take 40 years, and when membership in the ORP became mandatory in 1993, amortization was extended by 40 years which would bring it to 2033. He advised the retirement system would be fully amortized by then.

REP. ANDERSEN wondered if it was possible that the unfunded liability would be amortized before 2033. **Mr. Senn** advised that in the past, the Teachers Retirement Board has periodically reviewed the rate to make sure that it was adequate and they were on time; HB 430 removes the requirement for periodic review which means the rate is set and will end in 2033. He added there would be an ongoing review as part of the Board's actuarial evaluation, though. **REP. ANDERSEN** wondered about the reason behind the removal of the review requirement. **Mr. Senn** professed he did not know, adding that historically, this rate has continued to increase. He advised that HB 181, which is referred to in the fiscal note for HB 430, indicates the need for coordinating

language since HB 181 would increase this rate from 4.04% to 5.09%. He remarked that reviews have shown the need for an adjustment of the 4.04% rate which has not been done since 2001; without the decline in the stock market, the Board would not have asked for an adjustment. Should the opposite happen and the market improve before amortization, the Board would come before the Legislature and ask for a reduction of the rate.

Closing by Sponsor:

REP. RASER closed, repeating that this bill would restore equity within the university system's retirement plans.

VICE CHAIR BROWN proceeded to chair the hearing so Chairman Jent could present his bill.

{Tape: 1; Side: B; Approx. Time Counter: 0 - 11.4}

HEARING ON HB 338

Opening Statement by Sponsor:

CHAIRMAN LARRY JENT (D), HD 64, opened the hearing on **HB 338**, Professional retirement option for TRS members. **CHAIRMAN JENT** advised HB 338 provides that TRS members with 30 years of service who are at least 55 years old will see an increase in their retirement, from 1.677% to 2%, multiplied by years of service if they retire on or after July 1, 2007. He explained the bill encouraged teachers and administrators to stay on for an additional five years by increasing their benefits from 50% of salary after 25 years to 60% after 30 years of service. The reason behind HB 338 is the fact that the state is losing qualified veteran teachers to other states with better pay and benefit packages; he also pointed out that fewer than one third of recent education graduates remain in Montana to teach.

CHAIRMAN JENT provided the Committee with a handout prepared by the MEA/MFT which explains the advantages of the Professional Retirement Option (PRO) touted in HB 338.

EXHIBIT(sth26a03)

{Tape: 1; Side: B; Approx. Time Counter: 11.4 - 19.8}

Proponents' Testimony:

Darrell Rud, Executive Director, School Administrators of Montana, submitted written testimony.

EXHIBIT(sth26a04)

Tom Bilodeau, Research Director, MEA/MFT, advised the Committee that school administrators' initial discussions with regard to the need to increase teachers' benefits began in the late 1990's.

He repeated previous testimony, adding that Montana loses about 100 teachers per year to other states. **Mr. Bilodeau** lauded the incentive provided in HB 338 and pointed out that there is an additional two-year waiting period so that a teacher with 30 years of service would have to wait two years before qualifying for the enhanced benefit. It is estimated that HB 338 will save over one hundred job placements, allowing the schools to maintain the services of a proven work force for an additional five years and, at the same time, reducing teacher turnover.

David Senn, Executive Director, Teachers Retirement System (TRS), echoed previous testimony and advised that about 30% of the current TRS membership is eligible to retire; they are in their mid-fifties and have twenty-four to twenty-six years of service. He contended that extending these educators' length of service would benefit not only the retirement system but also Montana's education process. **Mr. Senn** pointed to California which adopted a similar plan in 1999 and has subsequently seen a 20% reduction in the number of retirees.

Cathy Bramer, Office of Public Instruction (OPI) for Superintendent of Public Instruction, Linda McCulloch, stated her office had supported a PRO bill in the 2003 Session and continued to believe in HB 338 as an investment in experienced teachers for Montana's students. She repeated previous testimony and urged the Committee to support HB 338.

{Tape: 2; Side: A}

(REPS. JACOBSON and A. OLSON entered)

Opponents' Testimony: None

Questions from Committee Members and Responses:

REP. DICKENSON asked Mr. Bilodeau to explain the two-year waiting period. **Mr. Bilodeau** advised that under the provisions of HB 338, teachers with twenty-nine years or more of service would not be eligible to retire under PRO until 2007; they have to put in two more years of service beyond passage of the bill which has an effective date of June 2007. Individuals with thirty years of service who are currently retired and return to teaching would have to teach for two years before qualifying under the bill.

REP. DICKENSON wondered why the requirement stops at five years instead of ten. **Mr. Bilodeau** advised HB 338 is modeled after the California legislation which uses five years. He feared if the threshold was extended, it might be viewed as being unattainable.

REP. GORDON HENDRICK, HD 14, SUPERIOR, asked Mr. Rud whether he saw this incentive as sufficient to keep qualified teachers in Montana, stating that teachers in his district leave for other states and then combine two retirement packages. **Mr. Rud** believed that this bill provided a major incentive, based on surveys of hundreds of educators.

REP. B. OLSON advised that he was keeping a running total of retirement bill cost and asked Mr. Senn whether the State could afford all of them; the inclusion of HB 338 brought the total to almost \$39 million for this biennium, and up to \$83 million for the 2009 Biennium. **Mr. Senn** replied he did not know; the Budget Office would be able to answer this. **REP. B. OLSON** asked him if he agreed that his numbers were close. **Mr. Senn** felt that they were.

REP. GARY MACLAREN, HD 89, VICTOR, asked the Sponsor whether this bill applied to teachers and administrators. **CHAIRMAN JENT** explained it applied to all teachers and administrators covered under TRS.

VICE CHAIR BROWN requested that Mr. Rud provide the Committee with a synopsis of the difference between Montana's retirement system as compared to that of surrounding states, including California as it had been mentioned in testimony. **Mr. Rud** advised that according to statistic, 23 state systems cover both teachers and administrators; 13 systems do not include coverage for Social Security; seven states have lower rates as far as the annual benefit multiplier; eleven have tiered systems, or variable rates for different experience levels; employee contribution rates range from none in five states to 10.5%, with Montana's rate being 7.15%. As far as vesting in the system, fifteen states require 10 years, Montana requires five; thirty-four states require five or less. He pointed out that only three states allow less than sixty years of age, and only seven allow twenty-five years of service or less. Five states do not allow early retirement, Montana requires a minimum of fifty years of age with five years of service whereas the most common age in other states is fifty-five. Seven states have no income tax at all, sixteen states exempt a portion of retirement benefits; Montana exempts \$3,600 while nineteen states do not tax pensions at all.

VICE CHAIR BROWN alluded to some of the problems created by Montana's "twenty-five and out" history and asked whether the Superintendent of Public Instruction believed Montana's system should be re-worked to include a higher retirement age and/or years of service in order to accomplish the bill's goal. **Ms. Bramer** believed this bill did extend years of service by creating

an incentive. **VICE CHAIR BROWN** inquired whether OPI favored re-formulating TRS to capture the best and most experienced teachers. **Ms. Bramer** offered to discuss this with Ms. McCulloch and provide the information.

Closing by Sponsor:

CHAIRMAN JENT closed, recounting Governor Racicot's 2000 task force on teaching which posed the question, "Who will teach Montana's children?" He added this same question was even more pressing today as our work force is aging and benefits wane in comparison with other states. He contended that HB 338 is a fundamental building block in the solution to the school adequacy funding lawsuit; part of a quality education is ensuring that our most qualified and most experienced teachers stay in Montana for an entire career of thirty years or more.

{Tape: 2; Side: A; Approx. Time Counter: 0 - 14.2}

(The Committee took a short break and reconvened at 9:30 A.M.; **CHAIRMAN JENT** at Chair; **REPS. CAFERRO, HENDRICK and JONES** are not present)

EXECUTIVE ACTION ON HB 373

Motion: **REP. A. OLSON** moved that HB 373 DO PASS.

CHAIRMAN JENT advised that the requested fiscal note had not been received. Without objection, **REP. A. OLSON** withdrew his motion.

EXECUTIVE ACTION ON HB 241

Motion: **REP. BROWN** moved that HB 241 DO PASS.

Motion: **REP. BROWN** moved that AMENDMENT HB024101.ASH BE ADOPTED. [EXHIBIT](#)(sth26a05)

Discussion:

Sheri Heffelfinger, Legislative Service Division, explained the amendments to the Committee. She referred to Section 2 of the bill and advised she would have to add another amendment, striking all of that Section as it was obsolete.

REP. ALAN OLSON, HD 45, ROUNDUP, referred to the change specifying the Lieutenant Governor as the presiding officer and asked if "Governor" on Page 1, Line 24 should not be changed to "Lieutenant Governor" as well. **CHAIRMEN JENT** agreed. **REP. A.**

OLSON pointed to two more places where this change should be made.

REP. B. OLSON asked why the bill provided for the Governor to be reimbursed since he had agreed to supply the necessary resources for the efficiency study. **CHAIRMAN JENT** advised the reimbursement was for travel and per diem only. **REP. B. OLSON** was still perplexed about the provision since the Lieutenant Governor resides in Helena and there would not be any travel involved. **CHAIRMAN JENT** agreed but added the Commission was free to meet in other locations.

REP. A. OLSON advised, if Section 2 of the bill was eliminated, Subsection (6) on Line 29 could be stricken as well, which **CHAIRMAN JENT** affirmed. **REP. A. OLSON** referred to item (4) of the amendment and stated that the Legislative Auditor, Mr. Seacat, worked for the Legislature and could be called in as needed; in his opinion, Mr. Seacat did not have to be named as a member of this Commission.

REP. HAL JACOBSON, HD 82, HELENA, agreed with **REP. A. OLSON's** assessment and recounted that during a recent conversation, Mr. Seacat had told him he was willing to come before the Commission when his presence was required but did not see himself as a regular member.

VICE CHAIR BROWN agreed with the previous statements and suggested to specify that the Legislative Auditor should serve on the Commission when requested, making it clear that he did not have to be present at all of the meetings.

REP. ANDERSEN suggested this could be accomplished by changing "shall" to "may." **CHAIRMAN JENT** cautioned "shall" would have to remain in the language.

REP. MACLAREN contended the Auditor was basically an ex officio member; therefore, it was not necessary to change the language. **CHAIRMAN JENT** interjected he favored the idea that the Auditor played a role in the Commission to ensure some oversight.

REP. A. OLSON submitted that the Legislative Auditor can participate in these meetings without having to add this requirement to statute.

VICE CHAIR BROWN stated due to the plethora of changes made by the Committee, Ms. Heffelfinger should be given time to draft a new amendment.

Without objection, **VICE CHAIR BROWN** rescinded her motion.

{Tape: 2; Side: B}

REP. BRUCE MALCOLM, HD 61, EMIGRANT, contended it was not good business to have the Governor appoint a commission charged with performing a government efficiency study.

CHAIRMAN JENT invited the Committee members to bring forth alternative amendments if they so desired; the amendment introduced today was a compromise between the bill's sponsor and the Governor's Office.

(REP. CAFERRO returned at 9:50 A.M., followed by REP. HENDRICK.)

REP. MALCOLM stated he had no objections to the bill as originally written; but he did not agree with the amendment.

REP. TERESA HENRY, HD 96, MISSOULA, referred to item 7 of the amendment, noting that it said to insert (12), stating that she did not see a Subsection 11. **CHAIRMAN JENT** advised the section numbers had changed due to the insertion of new Subsection (2).

EXECUTIVE ACTION ON HB 253

Motion: **REP. JACOBSON** moved that HB 253 DO PASS.

Discussion:

REP. DICKENSON opined HB 253 was a good idea which she would support.

VICE CHAIR BROWN stated a coin toss was not a random act, and she would not support the bill.

REP. A. OLSON suggested including the election of the Speaker of the House under this provision.

CHAIRMAN JENT advised that the bill deals with elections under Title 13; the election of the Speaker is in Title 5.

REP. A. OLSON declared he would oppose the bill as well.

Vote: Motion carried 10-6 by voice vote with **REP. ANDERSEN**, **REP. BROWN**, **REP. HENDRICK**, **REP. MALCOLM**, and **REP. A. OLSON** voting no; **REP. JONES** voted no by proxy.

(REP. MACLAREN asked to change his vote from "no" to "aye" at the end of the hearing; the vote count reflects the change.)

{Tape: 2; Side: B; Approx. Time Counter: 0 - 8.1}

EXECUTIVE ACTION ON HB 104

Motion: REP. A. OLSON moved that HB 104 DO PASS.

Discussion:

REP. JACOBSON reminded the Committee members about the two-page explanation of the bill, submitted at the hearing by Mr. Senn.

REP. ANDERSEN read from Page 2 of said statement where it talks about governmental excess benefit arrangements: "Amendments are necessary to remove the contingent effective date and clarify that the Board may still establish a governmental excess benefit arrangement whenever they find that benefits may otherwise be limited under Section 415 of the Internal Revenue Code." She asked whether these amendments had been drafted. CHAIRMAN JENT advised that the bill in fact represents those amendments; the paragraph refers to existing statute.

Vote: Motion carried unanimously by voice vote; REP. JONES voted aye by proxy.

{Tape: 2; Side: B; Approx. Time Counter: 8.1 - 13.5}

EXECUTIVE ACTION ON HB 213

Motion: REP. BROWN moved that HB 213 DO PASS.

Motion: REP. BROWN moved that AMENDMENT HB021301.ASH BE ADOPTED. [EXHIBIT](#)(sth26a06)

Discussion:

CHAIRMAN JENT referred to Kelly Jenkins' written statement provided at the hearing and noted some amendments were necessary for compliance with Federal tax laws; he subsequently provided a synopsis of HB 213, and asked Ms. Heffelfinger to explain the amendments. Ms. Heffelfinger advised the reason for the amendment was to strike the amendments to 19-5-502 which deal with the judges' retirement system. The substance of the amendments is Item (6), revising the Guaranteed Annual Benefit Adjustment (GABA) election.

Vote: Motion carried unanimously by voice vote; REP. JONES voted aye by proxy.

Motion: REP. OLSON moved that HB 213 DO PASS AS AMENDED.

Discussion:

REP. A. OLSON requested the Committee be given time for review, citing a 2001 clean-up bill which ended up in a lawsuit.

CHAIRMAN JENT agreed and set aside five minutes.

VICE CHAIR BROWN referred to Page 11, Lines 7 through 9, where it talks about legislators and asked whether term-limited lawmakers did not deserve mention. **Ms. Heffelfinger** explained that the change was a matter of clean-up and not intent. Currently, this section deals with term limits and the definition of termination of employment rather than termination of service; a legislator is not actually terminated from service; therefore, the term service was stricken.

REP. JACOBSON referred to Page 12, Section 7, which allows the Board to address the issue of purchase of service credit. He asked Ms. Heffelfinger how this was handled prior to HB 213. **Ms. Heffelfinger** stated it has always been handled as specified now; HB 213 merely adds clarification with regard to policy adjustments. **REP. JACOBSON** understood her to say that the Board had been doing it with tacit approval and it was put into statute for reasons of clarification. **Ms. Heffelfinger** agreed with his assessment.

REP. ANDERSEN pointed to Page 12, Lines 3 through 7, stating that 960 hours which were inserted were close to the health benefit eligibility requirement. **Ms. Heffelfinger** advised that 960 hours are not quite half-time and would not make people eligible for health benefits. She elaborated that this language presumed a member had received additional service credit and returns to employment for the same jurisdiction. Currently, employees covered under the Public Employees Retirement System (PERS) are limited to 600 hours should they choose to return to work, whereas all others may work up to 960 hours before they lose their additional service credit. The amendment takes out the hour limitation for public employees.

REP. ANDERSEN wondered if it was a good idea to allow this to happen because she felt people who returned to work were paid higher wages than people just starting out, and they are not paying into the retirement system but drawing benefits.

{Tape: 3; Side: A}

Ms. Heffelfinger advised that this particular section does not deal with the return-to-work provisions **REP. ANDERSEN** was alluding to; those do specify a limit for retired persons coming

back to work while drawing retirement benefits. This bill involves the State Employee Protection Act for people who have been terminated, allowing them to purchase service credits which they would have accumulated otherwise. She likened it to a severance package concept, adding they will have to forfeit the service credit when they come back to work for the jurisdiction which laid them off.

Vote: Motion carried 13-3 by voice vote with REP. ANDERSEN, REP. MALCOLM AND REP. A. OLSON voting no; REP. JONES voted aye by proxy.

REP. A. OLSON asked to qualify his vote, saying he was not opposed to the bill but leery about potential consequences.

Before adjournment, the Committee reviewed the list of bills yet to be heard or voted on.

ADJOURNMENT

Adjournment: 10:25 A.M.

REP. LARRY JENT, Chairman

MARION MOOD, Secretary

LJ/mm

Additional Exhibits:

EXHIBIT ([sth26aad0.TIF](#))